



**Report:
All-Africa Heads of Customs Meeting**

**Advisor(s):
Theo Lyimo, Customs Reform Specialist and
Ranga Munyaradzi, Customs Transit Specialist
Travel Dates: January 26 - 29, 2003**

**Submitted by:
Chemonics International, Inc.**

**Submitted to:
Regional Center for Southern Africa,
U.S. Agency for International Development**

Gaborone, Botswana

February 2003

USAID Contract No. 690-I-00-00-00149-00



Introduction

Theo Lyimo and Ranga Munyaradzi attended the All-Africa Heads of Customs Conference, which was hosted by the South African Revenue Services and funded by the Hub and the United Kingdom Department for International Development (DFID). Since the conference had the same objectives as those of the Customs component of the Hub, the Hub agreed to fund the participation of the SADC heads of Customs and one expert from each SADC country except the Democratic Republic of Congo and Zimbabwe. The following were the expected outputs of the conference:

- A plan of action to build the capacity of African Customs administrations to effectively deal with globalisation, cargo security and other current challenges;
- A recommendation on institutional changes at the African Union to reflect the importance of Customs in regional integration;
- A blueprint for developing and implementing regional initiatives aimed at achieving closer co-operation between Customs administrations in the various African economic regions; and
- A Declaration of African Customs administration outlining their response to the NEPAD initiative and how they can contribute to the rejuvenation of the African continent.

Participants

The following 27 countries were represented at the conference, ten of which (in italics) were sponsored by the Hub:

Algeria, Benin, *Botswana*, Burundi, Burkina Faso, Cameroon, Central Africa Republic, Congo Republic, Democratic Republic of Congo, Ethiopia, Gabon, *Lesotho*, Libya, Madagascar, *Malawi*, Mali, *Mauritius*, *Mozambique*, *Namibia*, Nigeria, *South Africa*, *Swaziland*, *Tanzania*, Tunisia, Uganda, *Zambia* and Zimbabwe.

Angola would have participated but the officials were not able to get entry visas for South Africa in time. Apparently, Zimbabwe was not funded by DFID either.

The Conference Programme

The South African Deputy President, Jacob Zuma, opened the conference. The Deputy Minister of Finance, M. Mpahlwa, and the Commissioner of SARS, Pravin Gordhan, were present. Guest speakers and heads of Customs made the following presentations:

- A survey of the geo-political environment; by Bilisoni Itaye, Consul General of Malawi
- NEPAD – Imperatives for Customs and Trade; by Ms. G. King, NEPAD Secretariat.
- The Road to Cancun; by X. Carim, Chief Director of the South African Department of Trade
- Realities and Prospects of economic growth and development in Africa; by Dr. Iraj Abedian, Group Economist, Standard Bank
- Challenges for Customs in the 21st century; by Michell Danet, Secretary General of the World Customs Organization
- The Security and Facilitation of the International Trade Supply Chain; by Douglass Tweddle, Ex-Director of the WCO and Chairman of the WCO Task Force on Supply Chain Security
- Guidelines for Customs Transformation; by Chriticles Mwansa Commissioner of Customs and Excise of Zambia
- Customs Integrity; by Dr. Barros dos Santos, Director General of Mozambique Customs

- Trade Facilitation in the WTO – 2003 a Golden Opportunity; by David Wakefield, MBE, Chief Executive, SITPRO, UK
- Strategies for improving African Competitiveness; by Foluso Phillips, Phillips Consulting Group

Some of the presentations were distributed in hard copy and on disc, and are available from the Hub.

Relevance to the Work of the Hub

The presentations were very relevant to the work of the Hub. For example, regarding global competitiveness of Africa, very useful statistics showing the position of Africa in world trade were presented. Africa with a population of 800 million people contributes only 2 per cent of world trade. Most of Africa's trade is in commodities, raw materials and minerals, which are traded without added value. Historical, political and macroeconomic factors contributing to Africa's dismal contributions were very well explained. The statistics, mostly from World Bank reports, provide a very good baseline on the basis of which the success of such initiatives as the NEPAD, Regional Economic Communities (RECs) and the African Union can be measured.

Facts were also presented on Africa's huge potential for global competitiveness. Africa is endowed with natural resources, which are still largely untapped. There is optimism that they will now be exploited. This optimism stems from the various initiatives that have been taken by individual countries and at regional level. Most countries are now seriously introducing democratic political systems and good governance. Privatization of industry is taking place in many countries whose economies were in the hands of the government or inefficient parastatal corporations. Every effort is being made to empower the private sector and to create an attractive environment for investment, whether with local or foreign capital. Proposals to restructure national economies are being more welcome and implemented. For example, many countries have streamlined their Customs tariffs and reduced rates of duty, measures that have resulted in less smuggling, and increased trade and government revenue. Countries are moving away from taxing trade and are instead introducing consumer taxes like VAT.

The first presentation dealt in brief with regional integration. Africa has as many as twelve Regional Economic communities. However, many overlap - leading to duplication of resources. Only a couple of these have reached the stage of Customs union, let alone economic community. However, here again there are genuine efforts on the part of some RECs to implement all the provisions of the relevant treaties – even if over a long stretch of time. The major RECs are the building blocks of the African Union (AU), which has replaced the Organization of African Unity. The establishment of the AU is itself a clear commitment to integration by the governments of the continent.

Another indicator of commitment is the New Partnership for African Development (NEPAD). This is a policy statement emphasizing the need for Africans to assume ownership, responsibility and control of their own political and economic destiny.

The primary objectives of NEPAD are:

- To eradicate poverty;
- To place African countries, both individually and collectively on a path of sustainable growth and development;
- To halt the marginalization of Africa in the globalisation process;
- To accelerate the empowerment of women.

The priority sectors of NEPAD are:

- Human development with a focus on health, education, science and technology and skills development;
- Infrastructure, including Information and Communication Technology, Energy, Transport and Water;
- Exports - Promoting diversification of production and exports, including promotion of agro-industries, manufacturing, mining, mineral beneficiation and tourism;
- Accelerating intra-Africa trade and improving access to the markets of developed countries;
- The environment.

The Market Access Initiative

The vision and market access strategies of NEPAD should be of special interest to the Hub. The vision is enhanced competitiveness of African economies, accelerated and deepened regional integration, and integration of Africa into the global economy.

The visions will be achieved through the following strategies:

- Mainstreaming trade policy into comprehensive and integrated development strategies
- Incorporating appropriate macro-economic policies
- Development of a stable and transparent regulatory environment
- Improving infrastructure for trade
- Addressing supply-side constraints, including:
 - Building the capacity of the private sector;
 - Building the institutions and skills necessary to meet the demanding requirements of developed markets;
 - Addressing transport and logistical constraints;
 - Addressing bureaucratic inefficiencies along the export supply chain such as improving customs procedures;
 - Examining whether financing and insurance facilities for manufacturing and exports are adequate, and to identify appropriate arrangements, if not.
- Strengthening Regional Economic Communities
- Increased linkages with respect to:
 - Trade rules
 - Rules of Origin
 - Trade facilitation measures
 - Partnerships with the private sector
 - Harmonisation in institutions, rules and programmes;
 - Trade policy review mechanism.

Areas in which strategic intervention should be made have been identified.

CONCLUSIONS

All the presentations and discussions had a bearing on the work of the Hub. The Hub customs and trade facilitation team reached the following conclusions:

- There is need for the Hub to have the kind of data presented, but for the countries of Southern Africa. It would serve as a general baseline from which the work of the Hub has started.

- The data also constituted a very clear topography of the economic landscape on which development initiatives are being made. Without a very clear understanding of the environment, no initiative can succeed.
- NEPAD provides the framework for the kind of development assistance that the Hub is providing. There are certain occasions when it may be prudent to associate the work of the Hub with NEPAD. This would not only be “politically correct” but will pre-empt any thought that the Hub is pursuing its own agenda.